

LNP Costs for Montrose Mutual Telephone Company

Scenario 1: Monthly Cost With Transport and Transit

	<u>Start-Up</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Reported Cost	\$ 70,055	\$ 37,118	\$ 40,653	\$ 45,445	\$ 50,236	\$ 55,028
Adjustments:						
Legal Fees	\$20,000					
Employee Education	\$9,265					
Customer Education	\$1,257	\$2,362	\$2,337	\$2,312	\$2,286	\$2,261
Total Adjustments	\$30,522	\$2,362	\$2,337	\$2,312	\$2,286	\$2,261
Adjusted Cost	\$39,534	\$34,756	\$38,316	\$43,133	\$47,950	\$52,767
PV Factors	100.0000%	89.8876%	80.7978%	72.6272%	65.2829%	58.6812%
PV Cost	\$39,534	\$ 31,241	\$ 30,958	\$ 31,326	\$ 31,303	\$ 30,964
PV Demand		1,415	1,259	1,119	995	885

Cost/Subscriber/Month

Total
\$298,535

\$ 195,327
5,673

\$ 34.43
\$ 2.87